

Security Information
CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.

Mr. Robert M. Macy
Chief, International Division
Executive Office of the President
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Macy:

Thank you for your note of July 31, forwarding a copy of the notes made by Mr. Hamilton at our meeting of July 30. There are two items which I believe would merit some clarification.

The first of these items is the one referring to the Jackson Committee Report. We have reviewed this report and a reprogramming of proposed 1954 operations has been completed with due consideration to the recommendations made in the report. Our review of the report, however, does not lead us to believe that there was any intention of reducing the government's efforts in the general areas in which we are engaged.

The second point involves our discussions on release from the reserve for contingencies for the fiscal year 1954. It was our understanding that if a request for a release from the reserve was submitted and clearance given to proceed with the project, a specific dollar release from the reserve might not be made until toward the end of the fiscal year. It was our understanding that this release from the reserve would be automatic if it was found toward the close of the fiscal year that we could not absorb it within our then available resources. In other words, we understood that we could increase for allotment purposes, the amount of funds available to us even though at the end of the year we might find it necessary to request a release of cash if our total obligations did not exceed the cash made available within our regular appropriations. Thus, the decision toward the end of the fiscal year to finance a project out of reserves or to absorb it within our regular appropriation total would be based upon whether our total obligations exceeded the amount of our regular appropriations. Unless we have the authority to allot funds at the time of the original clearance of the project we would be unable to realize any benefit from the release. Our interpretation as outlined above is, of course, premised on this fact.

Yours very truly,

L. K. WHITE
Acting Deputy Director (Administration)

<u>7 Sept 53</u> (Date)		
TO: <u>Mr. Vandenberg</u>		
BUILDING	ROOM NO.	
REMARKS: <u>Ch. at this date I don't think it is necessary to send this letter to the Dir of the Budget.</u>		
25X1A		
FROM: [REDACTED]		
BUILDING	ROOM NO.	EXTENSION